

Clicks on sponsored links lower than previously reported but show growth potential

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Sponsored links are a money maker for search engines, but a Penn State study using a search engine's transaction log indicates consumers click on sponsored listings fewer than two times out of every 10 searches, a rate which suggests consumers still prefer organic or non-sponsored links.

The analysis is one of the first-ever academic studies of sponsored-link click through using actual search engine data, said Jim Jansen, an assistant professor in the College of Information Sciences and Technology (IST) and lead author.

"While the click through was only about 16 percent, I interpret this as being a real boon for search engines," Jansen said. "Even at 16 percent, sponsored search is already a multi-billion dollar market, and this study shows there is plenty of upside growth potential."

The study is described in an article, "Sponsored Search: Is Money a Motivator for Providing Relevant Results?" that has been published in the August issue of *IEEE Computer*. Jansen's co-author is Amanda Spink, a professor at Queensland University of Technology and a former IST faculty member.

Sponsored links are search engines' primary revenue makers, with Google and Yahoo! reporting billions of yearly earnings. But search

engines not surprisingly reveal less about consumers' overall click-through rates. Popular press reports of those rates range from 15 percent to 35 percent, Jansen said.

Previous research by Jansen involving a page of results from a fictitious search engine suggested that consumers are suspicious of sponsored links placed in highlighted columns on the right or at the top of the results page. In that study, participants clicked on the results identified as "organic" on more than 80 percent of their searches rather than to sponsored links even though many of the organic results were actually re-written sponsored links.

In the current study, Jansen theorized that given consumers' bias against sponsored links, search engines' separation of sponsored and non-sponsored links might be doing a disservice to searchers and to the businesses which invest in sponsored links. So his goal was to determine whether integrating sponsored links into organic results would increase the click-through rate.

"The increase didn't happen," Jansen said. "Web consumers are savvier than a lot of professionals give them credit for. With sponsored search at such an early growth stage, there appears to be plenty of room to innovate the business model."

The data for the study was provided by Dogpile, a metasearch engine which combines both types of links into a single listing although sponsored links are clearly labeled as such. Those sponsored links come from Google and Yahoo! through a contractual agreement with Dogpile. More than 4.2 million page views along with 1.8 million queries from about 666,600 users were analyzed.

The analysis revealed that 35 percent of searchers don't click on sponsored or non-sponsored links perhaps because they found what they

were looking for on the search-results page or because they decided nothing on the page was relevant. When searchers did click, 84.2 percent of the clicks were on non-sponsored links and 15.8 percent were on sponsored links.

Source: Penn State

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